UNITED STATES CIVIL SERVICE COMMISSION
BUREAU OF RETIREMENT AND INSURANCE
WASHINGTON 25, D.C.

April 2, 1963
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HEALTH BENEFITS OFFICER INFORMATION BULLETIN NO. 2

This is the second in the series of letters to Health Benefit Officers to keep you informed on the health benefits program. The following items on health benefits matters are furnished for your information and we urge that you make them available to the employing offices and payroll offices in your agency. Additional copies are available if you need them. Call Mr. Brown on Code 129, Extension 4886.

1. Family enrollment codes of female employees. Enrollment in codes --3 or --6 is mandatory for each female employee with a self and family enrollment unless she is single (including widowed or divorced) or establishes that she has a dependent husband; that is, one who is incapable of self support. By law, a female employee with a nondependent husband receives a smaller Government contribution to the cost of her health benefits enrollment.

We continue to learn of cases of married female employees with nondependent husbands who are improperly enrolled in Codes --2 or --5. Where these cases are found, a retroactive recovery from the employee's salary of the under-deduction for health benefits must be made. Since this usually works a hardship on the employee involved, every effort should be made to assure enrollment in proper codes initially, and if an error has been made, to correct it as soon as possible. Therefore, we believe it would be desirable to have your employing offices take such steps as they consider appropriate to verify that female employees enrolled in Codes --2 or --5 are properly enrolled in these codes, i.e., they are either single or their file contains a medical certificate approved by the agency to the effect that the husband is incapable of self support.

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2. Continuation of Enrollments of employees in employee organization or comprehensive plans who transfer. The enrollment of an employee who transfers without a break in service of more than 3 days from one payroll office to another continues without change, and he does not generally have an opportunity to change plans at that time. In these cases, both the losing and gaining offices must prepare Standard Forms 2810--the losing office to effect a transfer out and the gaining office to effect a transfer in.

This applies as well to an employee enrolled in an employee organization plan, including an employee enrolled in a postal employee organization plan who transfers from the Post Office Department to another agency. The employee cannot change plans solely on the basis of the transfer unless the employee organization plan notifies the employing office in writing to terminate his enrollment because he no longer is a member of the organization. This is explained on Page 29 of the Health Benefits Manual. Employing offices should not permit an employee to change plans based on his own statement that he no longer is a member of the organization, or on the basis of a statement from a local of the organization. The notice of termination must be in writing and must come from the health benefits plan itself.

The enrollment of an employee in a comprehensive plan who transfers to another agency also must be transferred by the losing office, and the gaining office must accept the transfer. The enrollment is not automatically terminated, even if the employee moves outside the service area of his comprehensive plan. In the event of a move outside the service area, the employee has 31 days within which to enroll in another plan. Until he does so, he remains covered by the comprehensive plan, and is entitled to the plan's out-of-area benefits.

3. Requisitioning of forms and brochures. As stated on Page 93 of the Health Benefits Manual, the Commission distributes forms to only one central distribution point in each department or agency. From time to time, we receive requests from agency installations or other agency subdivisions for supplies of brochures and forms. Please remind your employing and payroll offices of the correct procedures for ordering health benefits material.

It would be desirable to remind your supply and distribution staff that requisitions for health benefits supplies should be coordinated with your office. You are in a position to know about various factors which may affect quantities of health benefits forms and brochures to be requisitioned; for example, when open seasons are to be held, possible revisions of brochures, pamphlets, and forms, etc. Our experience has been that some agencies order in too large quantities.

4. Revision of Subscription Charges. FPM Letter No. 890-5 dated September 19, 1962 informed departments and agencies of changes in withholdings for certain plans to be effective on the first day of the pay period which began on or after November 1, 1962. The schedule attached to this FPM letter superseded the Schedule of Subscription Charges dated October 31, 1961. A few payroll offices continued, after November 1, 1962, to withhold at the old rate for employees enrolled in plans the subscription charges of which were changed. Where this is the case retroactive correction is required. You may wish to circularize all your payroll offices to make sure they all received information about the increased subscription charges, and that they are making the proper withholdings and contributions. STAT

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Since the separate Schedule of Subscription charges has been discontinued and is now incorporated in the Health Benefits Manual you may also wish to have the distribution of FPM Letters within your own department or agency reviewed to make sure all payroll offices receive information on rate changes, or other health benefits information, promptly.

Sincerely yours,

Andrew E. Ruddock

Andrew E. Ruddock
Director